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THE

Livestock and Wool

SITUATION

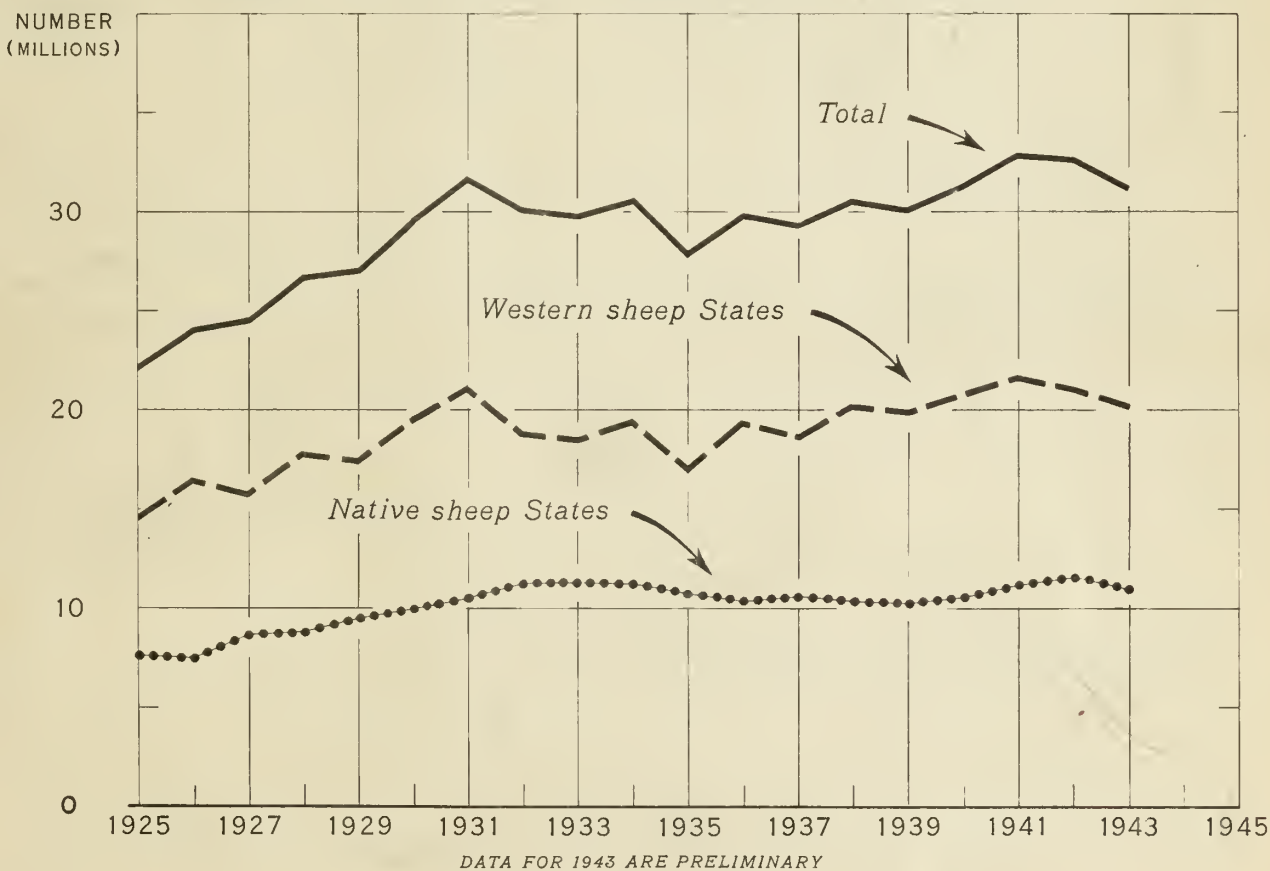
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LWS-16

BAC

AUGUST 1943

UNITED STATES LAMB CROP, 1925-43



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43233

BUREAU OF AGRICULTURAL ECONOMICS

The 1943 lamb crop is estimated to be 31.1 million head, 1.5 million smaller than last year's crop and the smallest since 1939. In the 13 Western Sheep States the crop was 20.1 million head, 4 percent below last year; and in the native States it was 11.0 million head, 5 percent smaller. Reduction in the Western States was due largely to a shortage both of experienced help at lambing and of ammunition for use against coyotes.

PRICE OF LAMBS AT CHICAGO, AND INSPECTED SLAUGHTER OF SHEEP AND LAMBS IN THE UNITED STATES, 1942-43

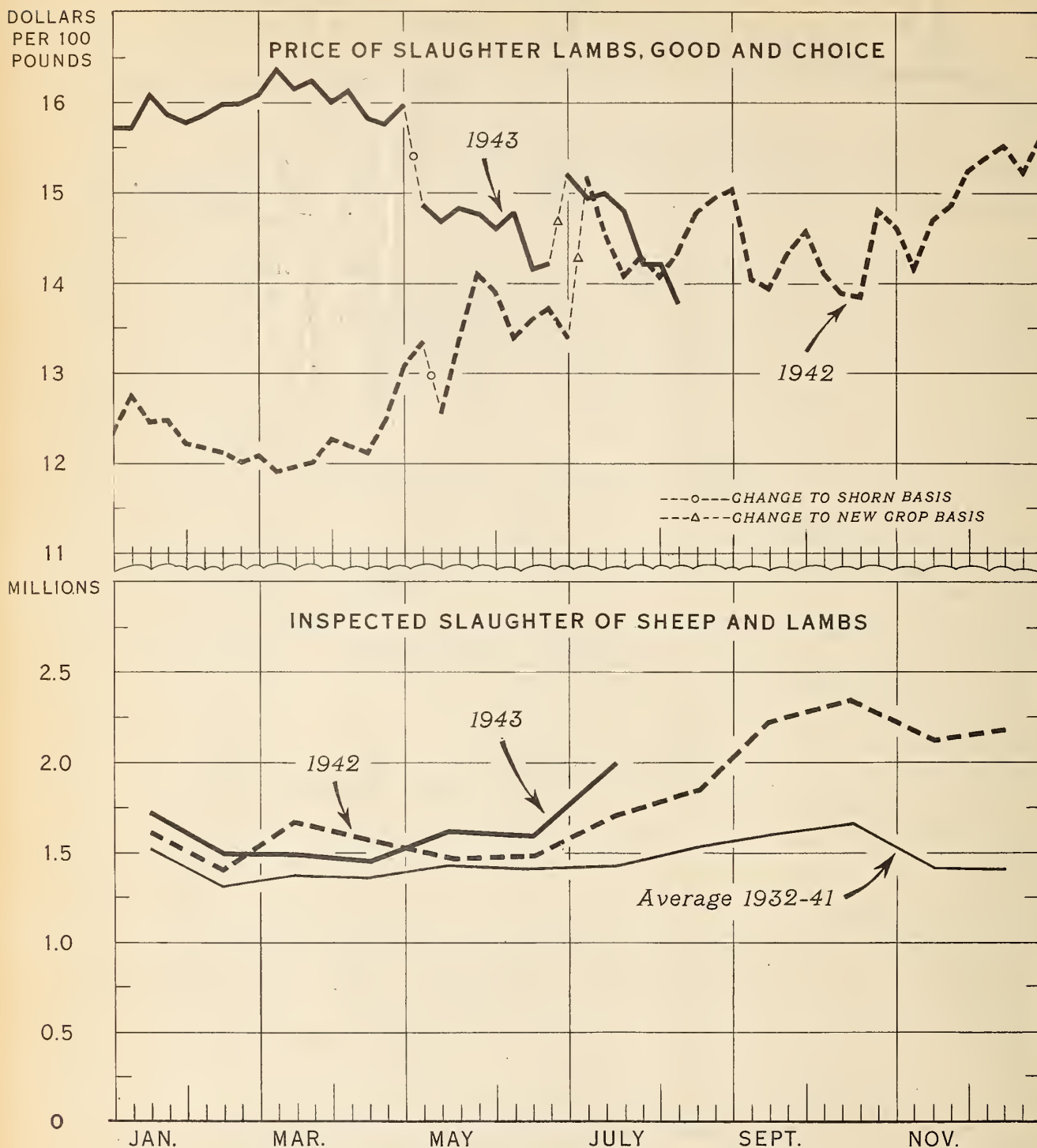


Figure 1.- Prices of slaughter lambs leveled off after the establishment of price ceilings on lamb a year ago, but advanced again last winter when marketings of hogs and beef cattle were relatively small. Prices declined with heavy marketings of hogs this spring. Price ceilings on lamb cuts do not change with the seasons. Recent slaughter of sheep and lambs includes a larger-than-usual percentage of ewes, indicating that a further liquidation of breeding stock may be under way this year.

THE LIVESTOCK AND WOOL SITUATION

Summary

Slaughter supplies of fed cattle during the remainder of 1943 are expected to be somewhat smaller than a year earlier. Most of the decrease will occur in the late months of the year. The number of cattle on feed for the second consecutive year is smaller this August 1 than last, the decrease being 11 percent for the Corn Belt. The outlook for any increase in cattle feeding this fall continues uncertain. The margin between feeder and fed cattle prices, which had been unfavorable for the last few months, was almost as wide in early August as in recent years as a result of a sharper decline in prices of feeder cattle than in prices of slaughter cattle. Inspected cattle slaughter is still running substantially under slaughter a year ago.

The 1943 lamb crop is estimated at 31.1 million head, 5 percent less than last year's crop. The proportion of early lambs in the Western crop declined from 22 to 20 percent of the total. Their market movement is somewhat different this year than last, with more of the crop moving toward the West Coast to compensate in part for the shortage of other livestock in that area. Lamb slaughter in May and June in federally inspected plants reporting in both periods was about the same as last year, while ewe slaughter apparently was about 25 percent heavier, indicating that some reduction in numbers of breeding stock is under way.

The price of hogs has advanced during the past month and top prices recently have been above the \$14.75 ceiling which is scheduled to go into effect soon. The discount on heavy hogs has increased rapidly in the last few months, possibly because with the heavy run of hogs production of fat cuts of pork has exceeded demand. Hog slaughter was unusually large in

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June and July, but total slaughter for the year to date appears to be about normal compared with the size of last year's pig crop.

The War Food Administration has announced details of its new licensing program which became effective August 15. It superseded existing food distribution orders but provides for continuance of their major provisions temporarily.

Shorn wool production for 1943 is estimated at 377 million pounds, slightly smaller than the record clips of 1941 and 1942, but larger than in any other previous year. The reduced production this year is a result of a smaller number of sheep shorn. The average weight of fleece is about the same as last year. Prices received by farmers for wool in the first 4 months of the 1943 marketing season (April-July) averaged 41.4 cents a pound compared with the 1942 average for those months of 40.2 cents a pound.

-- August 20, 1943

REVIEW OF RECENT DEVELOPMENTS

Hog Prices Advance Following Announcement of Ceiling; Discount on Heavy Hogs Increased

Hog prices, which were not far above the support level during the early part of July, advanced rapidly in early August. The average price of barrows and gilts for the week ended August 14 was \$14.34 compared with \$13.80 a month earlier. A top price of \$15.00 was reached August 13 at Chicago. This is above the \$14.75 ceiling announced by the Office of Price Administration to go into effect soon. The hog-corn price ratio at Chicago was 13.0 for the week ended August 14, but the Chicago ratio probably overstates the advantage of feeding hogs, as very little corn has been sold at that market during recent weeks.

The discount on heavy hogs has increased more than seasonally. During May the price of 200-220-pound hogs was only 4 cents higher than the price of 300-330-pound hogs at Chicago. Toward the end of June the spread between these prices widened and in July the margin was about 25 cents. In mid-August the margin was almost 70 cents. Due to a shift in the method of reporting market prices no direct comparison can be made with earlier years, but for the period 1931-38 prices of 200-220-pound hogs averaged 71 cents above the average price of 290-350-pound hogs during August. The present discount for heavy hogs is below this level, but if continued, hogs probably will be marketed at somewhat lighter weights than in recent months.

Hog Slaughter Unusually Heavy During July

The heavy run of hogs continued through July and 5.4 million hogs were slaughtered under Federal inspection. This was only 4 percent below June and was 34 percent higher than the record July slaughter last year for plants reporting in both periods. Inspected slaughter for the marketing year to date (October-July) totaled 51.3 million head, 13 percent higher than in the same period of 1941-42. Federally inspected slaughter so far this marketing year (excluding war duration plants) is equal to 47.7 percent of the 1942 pig crop compared with 53.5 percent in the same period a year ago and 49.9 percent the average for the corresponding period in the past 5 years. Slaughter was relatively small in the first part of the year. Federally inspected slaughter is now a smaller proportion of total slaughter than usual and it appears that total marketings to date are not far out of line with the reported pig crop of 1942.

Pork and Lard Stocks Increase;
Government to Reduce Purchases

Cold-storage holdings of pork increased 28 million pounds during July and on August 1 totaled 542 million pounds, 108 million pounds above last year's stocks and 55 million pounds (11 percent) above the 1938-42 average. Storage stocks of lard and rendered pork fat increased 18 million pounds during July to 239 million pounds on August 1. Lard stocks totaled 98 million pounds on August 1 last year and averaged 201 million pounds on August 1 for the period 1938-42. Holdings of the Department of Agriculture (included in the totals) amounted to 85 million pounds of pork and 132 million pounds of lard.

On the recommendation of the War Meat Board, the Food Distribution Administration announced that it intends to curtail purchases of most pork items, including lard, during the next few weeks. However, substantial quantities of frozen meats, cured Wiltshire sides and hog casings are needed and will be purchased as well as limited quantities of cured and canned meats.

Civilian Meat Quota Increased

August pork quotas for local and commercial slaughterers have been raised by the War Food Administration to maintain civilian pork supplies at the current level. Quotas for slaughterers in all areas were raised from 85 percent to an equivalent of 90 percent of their August bases. With the Government now purchasing less fat pork because of adequate inventories, slaughterers otherwise would have had to include more fat pork in their civilian quotas. The increase in quotas will enable slaughterers to sell as much or slightly more pork to civilians and render larger portions of the fat cuts into lard. Lamb and mutton quotas were maintained at 100 percent of their base in the Pacific Coast States to maintain civilian meat supplies in that area.

For September, quotas of slaughterers with bases of less than 2 million pounds a calendar year have been established at 85 percent of their quota for beef and veal, 90 percent for lamb, mutton, and pork. Butchers previously operating on a 100 percent basis for all these meats are now included in the group above and are subject to these percentages. The quota for farmers remains at 100 percent.

New Over-all Slaughter Licensing Program

The War Food Administration recently announced the details of a new over-all system of licensing all livestock slaughterers except farmers. It went into effect August 15 and is designed to simplify and speed up the operation of the war meat program. It supersedes existing Food Distribution Orders affecting the slaughter of livestock and the delivery of meat, but provides for maintaining their major provisions, including the present quota system regulating deliveries of meat to civilians. Under the order, slaughterers receiving licenses must abide by Office of Price Administration and War Food Administration regulations. The new program will provide an opportunity for nonfederally inspected plants to increase their slaughter by supplying meat to Government agencies. Since any meat purchased by the Government must be inspected, the slaughterers will be encouraged to apply for Federal inspection of the whole plant or of limited operations within the plant.

Lamb Prices Decline; Slaughter
Above Last Year

There has been a moderate decline in slaughter lamb prices during the month. The average price of Good and Choice grade spring lambs at Kansas City for the week ended August 14 was \$14.00 compared with \$14.60 a month earlier. Prices are now about the same as they were last year at this time. (See chart on inside cover page.)

Slaughter under Federal inspection picked up sharply in July and was 10 percent above last year, after adjusting for the increased number of inspected plants. Compared with June, the July slaughter represented a 25 percent increase. Total federally inspected slaughter for the calendar year through July was 4 percent higher than it was for the first 7 months last year.

Fed Cattle Prices About Steady;
Feeders Decline

The average price of Good grade beef steers at Chicago was \$15.51 for the week ended August 14, 54 cents higher than a month earlier. Prices of lower grades declined 60 to 80 cents during the period. Prices of vealers averaged \$15.50 for the week ended August 14, a dollar higher than they were last month. Feeders were quoted at \$12.42 at Kansas City for the second week in August, 44 cents lower than a month earlier.

Cattle Slaughter Low

Inspected cattle slaughter in July increased from the low level prevailing in June but was 19 percent below slaughter in July last year. Calf slaughter was even lower -- 27 percent below July 1942. Much of the decrease in federally inspected slaughter apparently has resulted from the diversion of an increased proportion of the available supplies of cattle and calves to other types of slaughter. Receipts of cattle at 68 public stockyard markets were only 4.2 percent below a year ago for the first 7 months of this year contrasted with a 22-percent decline for all slaughter under Federal inspection in plants reporting in both periods.

Cattle-Feeding Operations Reduced in the Corn Belt

For the second consecutive year the number of cattle on feed August 1 was smaller than a year earlier. Numbers were down from last year in all but two of the 11 North Central States where cattle feeding is concentrated, the average decrease for the Corn Belt being 11 percent. Less than two-thirds as many cattle were put on feed for the period from April 1 to August 1, when the spread between the prices for feeder and fed cattle was unusually small. But the number of longer-fed cattle was not greatly different from last year.

Feeders also reported that they expected to market 76 percent of their cattle before November 1, 10 percent in November, and the rest later. This may mean a short supply of long-fed cattle during the latter months of this year unless the feeding situation changes in the next few weeks.

Marketings of Choice and Prime beef steers out of first hands at Chicago in the first 7 months of 1943 were 22 percent greater than in the first 7 months of 1942. This appears unusual because the spread in the Office of Price Administration ceilings for carcass beef obtained from Good grade steers and Choice grade steers is now comparatively narrow. For the first 7 months this year the price of Choice and Prime beef steers at Chicago has been 97 cents higher than the price of the Good grade. Last year the difference was \$1.31 and for 1938-42 averaged \$1.26.

OUTLOOK - LIVESTOCK

Outlook for Early Fall Cattle Slaughter

Federally inspected cattle slaughter, now at a low level, will increase seasonally during the early fall. Supplies of grain-fed cattle coming to market in early fall may be about the same as a year earlier. Marketings of range cattle will be large, although it is uncertain at this time how many of these will go direct to slaughter rather than to feed lots. Cattle numbers in the Western States are at a high level in relation to present feed resources.

Outlook for Cattle Feeding

Until recently the margin between prices of feeder cattle and fed cattle had been unusually narrow but the margin has widened and now appears about as favorable as in several other recent years. Feed prices will be high, however, so that the return over feed cost may not be very favorable to cattle feeders in 1943-44. Under these conditions production of long-fed cattle (Choice and Prime) may be curtailed.

If the present discount on heavy hogs continues, it will be unprofitable to feed the hogs now on farms to heavy weights and corn may be released for other uses. However, past experience indicates that farmers are slow to react to this discount and that therefore its effect may not be immediately felt. In table 1 the recent margin between feeder cattle and fed cattle prices appears to be almost as favorable as a year ago, but the high price of feed reduces to almost half the usual margin over feed cost.

Table 1.- Average prices and value of important items affecting returns from cattle feeding, specified periods

Item	1931-32:	to	1941-42:	1942-43:	Current
	1940-41:	average:			
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices per unit					
Average price per 100 pounds of Good grade beef:					
steers sold out of first hands, Chicago,					
January-September	9.19	13.54	1/15.51	2/15.51	
Average cost per 100 pounds of feeder steers,					
Kansas City, September-November	6.22	9.62	12.03	2/12.42	
Average farm price per bushel of corn,					
North Central States, October-December495	.625	.732	3/ 1.007	
Average farm price per ton of alfalfa hay,					
North Central States, October-December	10.06	9.33	10.00	3/11.09	
			Total value		
Market value at Chicago of Good grade beef					
steers, original weight (700 pounds)	64.33	94.78	108.57	108.57	
Market cost at Kansas City of 700-pound feeder					
steers	43.54	67.34	84.21	86.94	
Margin	20.79	27.44	24.36	21.63	
Sales value of 350-pound weight gain	32.16	47.39	54.28	54.28	
Cost of 50 bushels of corn	24.75	31.25	36.60	50.35	
Cost of 1/2 ton of hay	5.03	4.66	5.00	5.54	
Value of gain less cost of corn and hay ..	2.38	11.48	12.68	1.61	
Net return over feed costs	23.17	38.92	37.04	20.02	

1/ Average January-July.

2/ August 14, 1943.

3/ July 15, 1943.

Lamb Crop Down in 1943

The 1943 lamb crop has been estimated at 31.1 million head. This is 1.5 million head below last year, but still above the 1932-41 average of 30.2 million. The number of breeding ewes was smaller in both the Western and Native Sheep States, but the main decline from last year was in the number of lambs saved per 100 ewes. This was 83 compared with 86 last year and the 10-year average of 84. (table 2).

About two-thirds of the decrease in the Western lamb crop occurred in the Far West and Pacific Northwest (Washington, Oregon, California and Idaho), where both the number and proportion of lambs saved declined. This is a critical labor-shortage area. The shortage of labor at lambing time and the inexperience of much of the labor available were largely responsible for the decrease.

The early lamb crop (lambs normally ready for market before August 1) was about 10 percent smaller than last year in the Western States and amounted to about 20 percent of the total crop compared with nearly 22 percent in 1941 and 1942. Market movement of these lambs has been later than usual, with much of the Arizona and California crop being marketed on the West Coast to offset reduced supplies of other livestock.

Table 2.- United States lamb crop, by regions, 1924-43

: Ewes 1 year and over on : Lambs saved per : Total number of									
: farms and ranches Jan. 1 : 100 ewes 1/ : lambs saved									
Year:	Western :	Native :	United :	Western :	Native :	United :	Western :	Native :	United :
:	Sheep :	Sheep :	States :	Sheep :	Sheep :	States :	Sheep :	Sheep :	States :
:	States 2/ :	States 3/ :	States :	States 2/ :	States 3/ :	States :	States 2/ :	States 3/ :	States :
:	Thous.	Thous.	Thous.	No.	No.	No.	Thous.	Thous.	Thous.
1924:	17,470	7,512	24,982	83	98	87	14,433	7,330	21,763
1925:	18,273	7,724	25,997	80	99	85	14,575	7,620	22,195
1926:	18,905	7,971	26,876	87	95	89	16,404	7,554	23,958
1927:	19,927	8,411	28,338	79	103	86	15,763	8,697	24,460
1928:	21,261	8,945	30,206	83	99	88	17,741	8,818	26,559
1929:	22,925	9,539	32,464	76	99	83	17,436	9,467	26,903
1930:	24,533	10,081	34,614	79	99	85	19,470	9,997	29,467
1931:	26,005	10,509	36,514	81	100	87	21,078	10,537	31,615
1932:	26,292	10,803	37,095	71	104	81	18,771	11,264	30,035
1933:	26,175	10,837	37,012	71	104	80	18,497	11,286	29,783
1934:	26,066	10,976	37,042	74	102	83	19,355	11,243	30,598
1935:	24,271	11,014	35,285	70	98	79	17,022	10,791	27,813
1936:	24,554	10,962	35,516	79	95	84	19,336	10,397	29,733
1937:	24,129	10,584	34,713	77	101	84	18,618	10,657	29,275
1938:	24,302	10,531	34,833	83	98	88	20,152	10,367	30,519
1939:	24,487	10,548	35,035	81	97	86	19,846	10,237	30,083
1940:	24,951	10,986	35,937	83	96	87	20,726	10,541	31,267
1941:	25,415	11,289	36,704	85	99	90	21,664	11,190	32,854
1942:	26,075	11,645	37,720	81	99	86	21,053	11,551	32,604
1943:	25,936	11,399	37,335	78	96	83	20,137	10,964	31,101

1/ Lambs saved defined as lambs living June 1 or sold before June 1 in the Native States and lambs docked or branded in the Western States. 2/ Includes the 11 Western States, Texas, and South Dakota. Sheep are raised mostly under range conditions in this area. 3/ Includes all except the above 13 States. In this region sheep are raised mostly in farm flocks.

Lamb Marketings About the Same as Last
Year; Ewe Slaughter Up

Slaughter of sheep and lambs probably will be heavy this year. Inspected slaughter since May 1 (the start of the new marketing year) has been 5 percent larger than last year after allowing for new plants not reporting in 1942. The increase has been due almost entirely to increased marketings of ewes. During May and June, marketings of lambs and yearlings in federally inspected plants reporting in both years were about the same as last year, whereas marketings of ewes were about 25 percent above a year ago.

Marketings of ewes are expected to continue heavy. Last year ewe slaughter was 2.6 times the 1932-41 average. However, with a lamb crop 1-1/2 million head smaller than in 1942, lamb slaughter this year probably will not exceed last year. Contracting of feeder lambs for fall delivery has been slow and feeder lambs are still scarce.

Hog Slaughter to be Large This Fall

Hog slaughter is expected to be unusually heavy this fall when marketings of the record 1943 spring pig crop get under way. Total hog slaughter follows closely the changes in pig crops and the 1943 spring pig crop was by far the largest ever raised in this country. Hogs may be marketed at lighter weights, under the influence of the feed situation and the discount on heavy hogs. A greater-than-usual proportion of hogs probably will be concentrated in the late months of 1943. Transportation and processing facilities may be severely taxed in the late fall and early winter, when the peak in marketings is likely to occur.

THE WOOL SITUATION

Appraisals of 1943 Clip Proceeding Rapidly;
Market Conditions at Boston Irregular

Appraisals of wool under the Government purchase program proceeded rapidly during the past month. About 100 million pounds of wool had been appraised by the middle of August. Values for some of the wools appraised at Boston in July and early August are shown in table 3.

There was little demand for fine and half blood domestic wools at Boston in July and the early part of August. Mill requirements for these grades were supplied by deliveries of early contracted wools and mills were not inclined to take on additional quantities from Commodity Credit Corporation's stocks. Some sales of dealer-owned wools were made where holders were willing to make price concessions, but the quantities involved were small. Quoted prices on fine staple combing territory wools (free), which had been unchanged at \$1.18-\$1.21 a pound (scoured basis) since April, were reduced to \$1.14-\$1.18 a pound in the latter part of July. Quoted prices of fine Texas wools also were reduced about 3 cents a pound (scoured basis). The demand for medium grades continued active. Sales were made at Commodity Credit Corporation's appraisal prices as wools

became available. Quoted prices for 3/8 blood combing territory wool remained unchanged at \$1.03-\$1.06 a pound.

The average price received by farmers for wool on July 15 was 41.5 cents a pound compared with 41.3 cents a month earlier and 39.8 cents a year earlier. Prices received by farmers in the first 4 months of the 1943 marketing season (April-July) averaged 41.4 cents a pound compared with the 1942 average for those months of 40.2 cents a pound.

Table 3.- Appraised values per pound at Boston for specified wools, Commodity Credit Corporation purchase program to August 15, 1943

Origin	Grade	Staple	Condition	Shrinkage	Appraised value		State average price to producers July 15 1/2
					Scoured basis	Greasy	
				Percent	Dollars	Dollars	Cents
Graded Western wools							
Montana	Fine	Combing	Light	60	1.20	.4800	43
	Fine	Average	Average	64	1.16	.4176	
Wyoming	Fine	Combing	Good	63	1.20	.4440	37
	1/2 blood	Combing	Good	60	1.16	.4640	
	1/4 blood	Combing	Light	41	1.01	.5959	
Colorado	Fine	Combing	Light	61	1.17	.4563	40
	Fine	Average	Heavy	70	1.16	.3480	
	1/2 blood	Average	Light	54	1.13	.5198	
	3/8 blood	Combing	Light	50	1.06	.5300	
North Dakota	Fine	Combing	Average	60	1.17	.4680	43
	3/8 blood	Combing	Good	49	1.04	.5304	
Original bag wools							
Texas	Fine (70s)	12 mo. combing	Light	60	1.20	.4840	43
	Fine	12 mo. combing	Average	62	1.18	.4484	
Fleece wools							
Ohio	Fine	Combing	Average	62	1.21	.4598	44
	3/8 blood	Combing	Good	48	1.04	.5408	
	1/4 blood	Combing	Good	44	.96	.5376	
Michigan	3/8 blood	Combing	Good	46	1.04	.5616	46
	1/4 blood	Combing	Good	43	.97	.5529	
Iowa	Fine	Average	Average	63	1.14	.4218	42
	1/2 blood	Combing	Average	60	1.14	.4560	
	1/4 blood	Combing	Average	46	.96	.5184	

Compiled from reports of the Boston Office of the War Food Administration.
1/ Bureau of Agricultural Economics data.

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Higher Charges Permitted for Texas Warehouses
Handling Government Wool

Under Amendment 7 to Supplementary Regulation 14 of the General Maximum Price Regulation, Texas wool warehousemen handling wool for the Commodity Credit Corporation will be able to charge either their maximum prices established under the GMPR, or 1 cent a pound for their services effective August 5, 1943. Partly because of differences in the type of service rendered, charges made by warehousemen in Texas always have been lower than marketing charges in other sections of the country. In some cases the 1 cent per pound handling charge represents an increase of 1/2 cent over the rate previously charged. In handling domestic wools for the Commodity Credit Corporation, Texas warehousemen will keep detailed records and will handle sales of wool to textile mills. Ordinarily brokers and wool dealers rather than warehousemen have performed these services. As all handling charges are paid by the producer under the Government program, the arrangement is expected to permit a higher return to producers than they would receive if it were necessary to sell the wools through houses outside of the State, whose charges are higher.

1943 Wool Production Smaller than
Last Year's Record Clip

Shorn wool production for 1943 is estimated at 377 million pounds. This is slightly smaller than the record clips of 1941 and 1942, which exceeded 390 million pounds, but it is larger than in any other previous year. The smaller production this year is the result of a smaller number of sheep shorn. The average weight of wool per sheep is 7.9 pounds, practically the same as last year, but smaller than the 10-year average (1932-41) of 8 pounds per sheep (table 4).

In the fleece wool (native) States, production in 1943 is estimated at 107.7 million pounds, with an average fleece weight of 7.3 pounds. This compares with production of 112.6 million pounds in 1942 and an average fleece weight of 7.27 pounds. The estimated production in these States includes wool shorn in commercial feed lots as well as on farms. Shorn wool production in the 13 Western wool States is estimated at 269.1 million pounds compared with 279.8 million pounds in 1942. The number of sheep shorn this year is below that of last year in all of the Western States except South Dakota. As a result of a heavier weight per fleece, however, production in Texas is expected to exceed last year's production by about 3 million pounds.

These estimates of production do not include the production of pulled wool from the pelts of slaughtered sheep and lambs. Pulled wool production totaled 67 million pounds in 1942 and averaged 65 million pounds in the 5 years 1937-41.

Table 4.- Wool, shorn: Production and weight per fleece,
United States, 1932-43

	Production (shorn wool)					
Year	Western wool States			Fleece	United	Weight
	Other		wool	States	per	
	Texas	Western	Total	States	fleece	
	1/		2/			
	Million	Million	Million	Million	Million	Pounds
	pounds	pounds	pounds	pounds	pounds	
1932	57.1	197.2	254.3	96.7	351.0	7.76
1933	74.8	199.9	274.7	99.5	374.2	8.13
1934	60.9	207.5	268.4	100.5	368.9	7.95
1935	59.2	198.5	257.7	103.8	361.5	8.04
1936	64.3	191.0	255.3	97.6	352.9	7.91
1937	75.8	184.4	260.2	97.3	357.5	8.04
1938	79.3	187.1	266.4	94.8	361.2	8.02
1939	77.2	188.4	265.6	98.1	363.7	8.01
1940	79.9	194.2	274.1	100.5	374.6	8.03
1941	80.2	204.3	284.5	106.1	390.6	8.11
Average	70.9	195.3	266.2	99.4	365.6	8.00
1942	75.0	204.8	279.8	112.6	392.4	7.88
1943	77.7	191.4	269.1	107.7	376.8	7.90

1/ Includes Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California, and South Dakota.

2/ All States other than the 13 Western wool States.

Mill Consumption in 1942-43 Sets New Record

Mill consumption of apparel wool 1/ averaged 11.8 million pounds a week (scoured basis) in June compared with 12.2 million pounds in May and 10.7 million pounds in June last year. Consumption of apparel wool in the 12 months ended June 1943 totaled 1,103 million pounds greasy shorn and pulled basis compared with 1,030 million pounds in 1941-42 and a 5-year average (1936-40) of 602 million pounds. The 1942-43 consumption exceeded that of any other year. During the last 2 years consumption has seldom dropped below 20 million pounds a week (grease basis). The high rate of consumption reflects large military requirements for wool fabrics. During this period production of wool fabrics and blankets has been limited chiefly by machinery and manpower capacity.

Consumption of carpet wool 2/ in the 12 months ended June 1943 totaled 48 million pounds (greasy shorn and pulled) compared with 136 million pounds in 1941-42.

1/ Domestic wool and duty paid foreign wool.

2/ Duty-free wools used chiefly in floor coverings and press cloths.

Increased Production for Civilian Use
Indicated for Latter Part of 1943

Because of large military requirements, the production of wool fabrics for civilian use has been curtailed since the early months of 1942. Large stocks of civilian goods on hand January 1, 1942, have prevented marked shortages of civilian goods up to the present. In recent months, stocks of raw wool have been ample and consumption quotas for civilian use have been sharply increased, but production has been limited by machinery and manpower capacity. The War Production Board and Army Quartermaster Corps have now taken steps to release facilities for increased production of civilian fabrics in the latter part of 1943. Deliveries of some military fabrics scheduled for late 1943 will be deferred until the early months of 1944.

The Quartermaster Corps has requested mills holding contracts for blankets, overcoatings, uniform serge, and shirting flannel to reschedule operations so that 50 percent of September-December deliveries on these fabrics may be deferred until the first 4 months of 1944.

Mill consumption of raw wool is not likely to be changed much as a result of this program which merely calls for a shift of consumption from military to civilian use. Total consumption is expected to continue at peak or near peak levels through 1943.

Table 5.- Summary of price and supply control regulations for livestock, meats, and wool, July 13-August 13, 1943

<u>Regulation</u>	<u>Principal provisions</u>
<u>Meat Price Controls:</u>	<u>Wholesale</u>
<u>Dressed Hogs and Wholesale Pork Cuts</u>	
Am. 8 to RMPR 148	Reduced by 50 cents the additions to ceiling
Issued 7/28/43	prices on fresh or frozen pork delivered to
Effective 8/3/43	war procurement agencies.
8/8/43, as to sales	Corrected the simplified method of determining
and deliveries of	ceiling prices to reflect the subsidy.
dressed hogs	
Am. 9 to RMPR 148	Permitted the addition of icing costs on all
Issued 7/30/43	sales and of those freezing and storing costs
Effective 7/30/43	actually incurred in sales to war procurement
	agencies.
Am. 10 to RMPR 148	Reduced maximum prices \$2 per hundredweight for
Issued 8/13/43	sales of canned, sliced bacon to FDA.
Effective 8/13/43	
<u>Beef and Veal Carcasses and</u>	
<u>Wholesale Cuts</u>	
Am. 20 to RMPR 169	Permitted June 15-Aug. 31, 1942 as an alterna-
Issued 7/22/43	tive to the base period. Sept. 15-Dec. 15,
Effective 7/28/43	1942 to allow summer hotels to obtain their
	supply of beef.
Am. 21 to RMPR 169	Lowered prices on frozen boneless beef (Army
Issued 7/16/43	specifications) about \$1 to \$2 and set prices
Effective 7/16/43	on Utility grade.
	Reduced carload discounts on beef and veal to
	25 cents per hundredweight and raised whole-
	salers' selling additions to 75 cents if
	papers have been filed with OPA.
Am. 22 to RMPR 169	Authorized filing of petitions for adjustment
Issued 7/22/43	on prices by packers caught with an inventory
Effective 7/28/43	of fabricated cuts to the order of War
	Shipping Administration June 1.
Am. 23 to RMPR 169	Established maximum prices for boneless stewing
Issued 7/29/43	beef for sale to Federal, State, or municipal
Effective 7/29/43	institutions.
Am. 24 to RMPR 169	Removed the restriction on sale of fabricated
Issued 8/7/43	cuts to the War Shipping Administration and to
Effective 8/7/43	contract schools feeding members of the armed
	personnel.
	Prohibited sale of trimmed beef tenderloins to
	retailers.
	Permitted hotel supply houses to sell carcass
	wholesale cuts to retailers.

Continued -

Table 5.- Summary of price and supply control regulations for livestock, meats, and wool, July 13-August 13, 1943 - Continued

Regulation	Principal provisions
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Meat Price Controls: Wholesale	
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Lamb and Mutton Carcasses and Cutsat Wholesale and Retail

Am. 7 to RMFR 239

Issued 7/24/43

Effective 7/19/43 for additions to prices
7/29/43 for other provisions

Permitted addition of wrapping costs not to exceed \$1 to sales for export to Army and Navy.
Prohibited price changes after delivery when ceilings are raised.
Contained ceiling prices for direct sales of fabricated cuts to purveyor of meals.

Am. 8 to RMFR 239

Issued 8/7/43

Effective 8/7/43

Allowed hotel supply houses to sell carcass and wholesale cuts.

Removed restriction on sale of fabricated lamb and mutton cuts to the War Shipping Administration and to contract schools.

Reduced carload discounts to 25 cents per hundred pounds.

Allowed 75 cents increase in ceilings for independent wholesalers under certain conditions and 7 cents for removing melts on sales to War procurement agencies.

Certain Sausage Products for War Procurement Agencies

Am. 4 to MPR 286

Issued 7/19/43

Effective, as of 6/13/43

Authorized addition of initial icing charges to permitted transportation charges.

Am. 5 to MPR 286

Issued 8/6/43

Effective 8/6/43

Permitted addition of \$2 per hundredweight to the applicable base price on sales of frankfurters and bologna to the War Department for deliveries to Arizona and California from August 6, 1943, to September 6, 1943.

Am. 5 to MPR 389

Issued 8/3/43

Effective 8/9/43

Permitted addition of 50 cents per hundredweight to ceiling prices on frankfurters and bologna, Grade AA, which contain no extender.

Am. 6 to MPR 389

Issued 8/3/43

Effective 8/3/43

Permitted additions of cost of icing services to ceiling prices, and addition of \$1 per hundredweight on price of pork sausage in sheep casings packaged in 1-pound wax paper cartons.

Horsemeat

Am. 3 to MPR 367

Issued 7/29/43

Effective 8/4/43

Prohibited sale of cuts of horsemeat or any horsemeat product for human consumption not specifically priced in the regulation and required retailers to post ceiling prices. Also set cents-per-pound prices on offal items previously covered by GMFR and allowed for any icing costs.

Continued --

Table 5.- Summary of price and supply control regulations for livestock, meats, and wool, July 13-August 13, 1943 - Continued

Regulation	Principal provisions
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Meat Price Controls:	Wholesale
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Fats and Oils 1/

Am. 39 to RPS 53

Issued 7/30/43

Effective as of 8/5/43

Permitted addition of 4/10 cent per pound over base or standard refined lard on Bland lard of Swift & Co.

MPR 53

Issued 8/9/43

Effective 8/14/43

Codified and rearranged Revised Price Schedule No. 53 with a few minor changes.

Am. 2 to MPR 53

Issued 8/18/43

Effective 8/24/43

Provided for computation of maximum prices of lard on basis of shipment to warehouses, rather than to point of resale, in the case of sales to chains of four or more retail stores. Also the price of lard to manufacturers of inedible lard products is to be computed on the basis of shipment to manufacturer's plant rather than to point of resale.

Am. 3 to MPR 53

Issued 8/12/43

Effective 8/14/43

Set maximum prices on denatured edible lard for use in making wartime soap at the same price as edible lard not denatured.

Price Controls: Wool

Shorn Wool Handled for CCC

Am. 7 to RSP 14 to GMPR

Issued 7/30/43

Effective 8/5/43

Permitted Texas warehousemen handling domestic wool for the CCC to charge either their maximum price established by the GMPR or 1 cent per pound for their services.

Meat Price Controls: Wholesale

Variety Meats and Edible Byproducts of Beef, Veal, Lamb, Mutton, and Pork

Am. 1 to MPR 398

Issued 8/7/43

Effective 8/7/43

Made additions and revisions in price ceilings, including freezing costs and storage charges for sales to war procurement agencies. Authorized carload discounts of 25 cents per hundredweight.

Meat Price Controls: Retail

Retail Prices for Pork Cuts

Am. 6 to MPR 336

Issued 6/28/43

Effective 7/3/43

Revised conditions under which stores in Class 3 and 4 may use prices of stores in Class 1 and 2.

1/ Lard only, for regulations and amendments applicable to other fats and oils see Agricultural Prices.

Continued -

Table 5.- Summary of price and supply control regulations for livestock, meats, and wool, July 13-August 13, 1943 - Continued

<u>Regulation</u>	<u>Principal provisions</u>
<u>Supply Control Regulations</u>	
<u>Food Distribution Orders --</u>	
<u>Livestock and Meats</u>	
FDO 20, Am. 1 Issued 7/31/43 Effective 8/1/43	Suspended order requiring packers under Federal inspection to set aside 50 percent of their weekly lard production for Government purchase.
FDO 27.2, Am. 3 Issued 8/4/43 Effective as of 8/1/43	Increased August quotas for local slaughterers for pork to 90 percent of their quota base. All other quotas remain same as July.
FDO 28.2, Am. 2 Issued 7/28/43 Effective 7/28/43	Set the quantity of beef which slaughterers under Federal inspection are to set aside for the week July 25-July 31 at 30 percent of their weekly production of steer and heifer beef, which meets Army specifications. Thereafter the amount is to be 40 percent. Under FDO 75.2 this percentage has been changed to 45 effective 8/15/43.
FDO 61.2 Issued 8/4/43 Effective as of 8/1/43	Permitted commercial slaughterers to deliver to civilians during August 1943, 2 percent more pork than their quota base for Quota Period 4, and permitted commercial slaughterers in California, Oregon, and Washington to deliver 7 percent more lamb and mutton than their quota bases.
FDO 75 Issued 8/9/43 Effective 8/15/43	This order superseded existing Food Distribution orders affecting slaughter and delivery of meat to civilians but provided for maintaining their major provisions. Slaughterers will be divided into three main classes. Class 1 includes those under Federal inspection, Class 2 those not under Federal inspection, except that farmers who sell meat will be identified as Class 3 slaughterers.

Continued -

Table 5.- Summary of price and supply control regulations for livestock, meats, and wool, July 13-August 13, 1943 -- Continued

Regulation	Principal provisions
Supply Control Regulations	

DFDO 75.1
Issued 8/13/43
Effective 8/15/43

Superseded FDO 27 and 61.
Expanded Class 2 slaughterers to include sub-class 2-A, those with quota bases of 2 million or more pounds of meat per calendar year, and 2-B, those with quota bases less than 2 million.
Permitted delivery by Class 1 and 2-A slaughterers to civilians during quarter ending September 30, the following percentages of their quota bases:
Beef and veal 65 percent
Beef, Cutter and Canner grades 30 "
Lamb and mutton 80 "
Pork 85 "
During August pork deliveries are about 90 percent.
Permitted deliveries of lamb and mutton in California, Oregon, and Washington for August of 100 percent of quota bases.
Established September quotas for Class 2-B and Class 3 slaughterers at following percentages of their quota bases:

Item	Class 2-B	Class 3
Beef and veal	85%	100%
Lamb and mutton	90%	100%
Pork	90%	100%

DFDO 75.2
Issued 8/13/43
Effective 8/15/43

Required federally inspected slaughterers to set aside 45 percent of their weekly production of beef meeting Army specifications.

Livestock: Marketings and slaughter statistics, by species,

July 1943, with comparisons

Item	Unit	Jan.-June			1942	1943	
		1941	1942	1943	July	June	July
Cattle and calves -							
Number slaughtered under Federal inspection:							
Steers	Thous.	2,552	3,151	2,730	563	399	
Cows and heifers	"	2,182	2,383	2,077	440	273	
All cattle	"	4,942	5,758	4,983	1,048	708	845
Percentage cows and heifers are of total cattle	Pct.	44.2	41.4	41.7	42.0	38.6	
Calves	Thous.	2,687	2,770	2,100	461	327	335
Average live weight:							
Cattle	Lb.	960	971	978	957	972	
Calves	"	182	186	171	211	176	
Total dressed weight:							
Cattle	Mil. lb.	2,605	3,080	2,693	552	388	
Calves	"	276	291	201	55	33	
Shipments of feeder cattle and calves to eight Corn Belt States 1/	Thous.	686	672	649	91	81	
Hogs -							
Number slaughtered under Federal inspection	"	23,313	26,927	29,897	3,886	5,650	5,427
Average live weight	Lb.	238	240	255	265	260	
Percentage packing sows are of all purchases at seven markets	Pct.	6	7	7	28	14	
Total production under Federal inspection:							
Pork	Mil. lb.	3,135	3,660	4,431	583	854	
Lard 2/	"	768	877	954	139	191	
Average yield per hog:							
Pork	Lb.	134.9	136.3	148.5	150.4	151.4	
Lard 2/	"	33.0	32.6	32.0	35.9	33.9	
Storage stocks end of month:							
Pork	Mil. lb.	---	---	---	434	514	3/ 542
Lard 2/	"	---	---	---	98	221	3/ 239
Sheep and lambs -							
Number slaughtered under Federal inspection	Thous.	8,790	9,213	9,392	1,705	1,594	1,988
Average live weight	Lb.	91	92	92	84	88	
Total dressed weight	Mil. lb.	374	392	399	67	66	
Shipments of feeder lambs to eight Corn Belt States 1/	Thous.	768	861	1,074	172	151	
Total dressed weight of live-stock slaughtered under Federal inspection							
	Mil. lb.	7,442	8,624	9,034	1,447	1,603	

1/ Total shipments direct and from public stockyards to Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Nebraska. This series is changed from the one appearing in previous issues, due to the addition of Illinois.

2/ Including rendered pork fat.

3/ Preliminary.

Livestock prices per 100 pounds (except where noted), by species,
July 1943, with comparisons

Item	1942		July		1943		
	annual	1931-40	1941	1942	May	June	July
	average	average	Dol.	Dol.	Dol.	Dol.	Dol.
Cattle and calves -							
Beef steers sold out of first:							
nands at Chicago:							
Choice and Prime	15.19	9.99	11.76	14.68	16.58	16.35	15.98
Good	13.90	9.04	11.11	13.75	15.59	15.50	15.06
Medium	12.22	7.83	10.43	12.73	14.31	14.35	13.78
Common	10.40	6.31	8.70	10.78	12.70	12.78	12.12
All grades	13.79	9.11	11.24	13.63	15.44	15.56	15.32
Good grade cows at Chicago ...	10.90	5.88	8.77	10.53	13.66	13.44	13.63
Vealers, Good and Choice at :							
Chicago	14.48	7.95	12.01	14.30	15.47	15.17	14.79
Stocker and feeder steers at :							
Kansas City	11.75	6.15	9.59	11.09	14.60	14.38	12.48
Average price paid by							
packers:							
All cattle	10.98	6.54	9.43	11.30	13.74	13.66	
Steers	12.61	1/	10.56	12.59	14.80	14.82	
Calves	12.07	6.56	10.48	12.22	14.25	14.14	
Hogs -							
Average market price, at							
Chicago:							
Barrows and gilts	13.69	1/	11.12	14.55	14.46	13.95	13.87
Sows	13.73	1/	9.98	13.73	14.26	13.38	13.04
All purchases	13.70	7.11	10.75	14.25	14.44	13.85	13.56
Average price paid by packers:	13.57	7.04	10.64	14.12	14.30	13.61	
Average price No. 3 Yellow							
corn at Chicago 2/	83.3	67.0	73.7	86.0	106.0	106.1	3/106.5
Hog-corn price ratio, at							
Chicago 4/	16.4	10.9	14.6	16.6	13.6	13.1	12.7
Sheep and lambs -							
Spring lambs, Good and Choice:							
grade at Chicago	---	8.58	11.37	14.43	---	---	14.74
Spring lambs, Good and Choice:							
grade at Kansas City	---	8.04	11.00	14.04	15.62	14.92	14.67
Ewes, Good and Choice grade :							
at Chicago	6.60	3.01	4.33	5.68	7.83	7.63	7.38
Average price paid by packers:							
for sheep and lambs	11.80	7.69	10.17	12.14	13.80	12.53	
Index retail meat prices 5/ ..	108.3	81.4	93.5	109.6	118.9	118.9	112.4
Index, income of industrial							
workers 6/	187.1	70.0	140.3	188.4	237.2	239.1	

1/ Not available. 2/ Cents per bushel. 3/ Represents ceiling price. No sales of No. 3 Yellow corn in July. 4/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 5/ Bureau of Labor Statistics, converted to 1924-29 base. 6/ Bureau of Agricultural Economics, 1924-29 = 100. Revised March 1943.

Wool: Mill consumption and machine activity, United States,
selected periods, 1941-43

[illegible]

Compiled from reports of the Bureau of the Census.

1/ 51 weeks ended December 26, not strictly comparable with 1941 total which is for 52 weeks. 2/ 5-week period. 3/ 4-week period. 4/ Apparel wool includes all domestic wool and all duty-paid foreign wool. Carpet wool includes only foreign wool entered free of duty for the manufacture of floor coverings, press cloth, knit or felt boots, or lumbermen's socks. 5/ Total of shorn and pulled wool. Pulled wool, grease basis, is in condition received from pulleries and is mostly washed. 6/ 1943 figures not strictly comparable with those of earlier years because of different method of reporting. 7/ Includes blended fabrics. 8/ Not available.

Prices per pound of wool and other textile raw materials in
the United States, selected periods, 1940-43

Item	Average			1942		1943	
	1940	1941	1942	July	May	June	July
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Boston market -							
Territory, scoured basis -							
64s, 70s, 80s (fine) staple							
combing	96.3	108.8	119.1	119.0	119.5	119.5	116.9
56s (3/8 blood) combing	79.7	91.2	102.6	104.5	104.5	104.5	104.5
46s (low 1/4 blood)	76.1	82.3	90.7	91.5	94.0	94.0	94.0
Bright fleece, greasy -							
64s, 70s, 80s (fine) delaine ..	38.0	43.1	47.2	47.0	47.0	47.0	47.0
56s (3/8 blood) combing	41.2	46.8	51.8	49.2	54.5	54.5	54.5
46s (low 1/4 blood)	41.0	46.5	49.8	49.3	51.5	51.8	52.0
Foreign wool - in bond at							
Boston 1/ -							
Sydney - scoured basis -							
64s, 70s, good combing	67.9	72.7	78.1	79.0	76.5	76.5	76.5
Cape - scoured basis -							
12 months, combing	62.9	70.9	75.6	76.5	75.5	75.5	75.5
Montevideo - grease basis -							
Merinos (60-64s)	31.2	40.4	43.0	43.0	41.8	42.5	42.5
1s (56s)	32.4	38.6	42.5	42.2	41.8	42.5	42.5
Prices received by farmers,							
grease basis, 15th of month	28.3	35.5	40.1	39.8	41.4	41.3	41.5
Average prices, scoured basis 2/ -:							
10 grades, Boston	84.7	96.6	107.0	106.2	108.6	108.6	107.5
United States farm price	70.2	86.4	96.6	98.4	102.5	102.5	102.6
Spread	14.5	10.2	10.4	7.8	6.1	6.1	4.9
Textile fibers:							
Wool, territory fine staple 4/ ..	96.3	108.8	119.1	119.0	119.5	119.5	116.9
Cotton, 15/16" Middling 5/	10.2	13.9	19.3	19.4	21.1	21.1	20.8
Rayon yarn, 150 denier 6/	53.0	53.6	55.0	55.0	55.0	55.0	55.0
Rayon staple fiber 7/ -							
Viscose 1-1/2 denier	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Acetate 5 denier	43.0	43.0	43.0	43.0	43.0	43.0	43.0

Compiled from reports of the Food Distribution Administration except as otherwise noted.

1/ Before payment of duty. Compiled from the Boston Commercial Bulletin.

2/ For basis of computations see February 1943 issue of The Livestock and Wool Situation.

3/ Revised.

4/ Scoured basis, Boston market.

5/ Average at 10 markets.

6/ Domestic yarn, first quality, Bureau of Labor Statistics.

7/ F.o.b. producing plants, Bureau of Labor Statistics.

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